



Department of Justice

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CROMPTON CORPORATION AGREES TO PLEAD GUILTY FOR PARTICIPATING IN RUBBER CHEMICALS CARTEL

Company Also Agrees to Pay a \$50 Million Fine

WASHINGTON, D.C. – Crompton Corporation, a U.S. manufacturer of rubber chemicals based in Middlebury, Connecticut, has agreed to plead guilty and pay a \$50 million fine for participating in an international conspiracy to fix prices in the rubber chemicals market, the Department of Justice announced today.

According to the one-count felony charge filed today in the U.S. District Court in San Francisco, Crompton conspired with unnamed rubber chemical producers to suppress and eliminate competition for certain rubber chemicals sold in the United States and elsewhere from 1995 to 2001. Under the plea agreement, which must be approved by the court, Crompton has agreed to assist the government in its ongoing rubber chemicals investigation.

Rubber chemicals are a group of additives used to improve the elasticity, strength, and durability of rubber products, such as tires, outdoor furniture, hoses, belts, and footwear. Approximately \$1 billion of rubber chemicals are sold annually in the United States.

“Rubber chemicals are used in products purchased daily by millions of Americans, from the tires on our cars to the shoes on our feet,” said R. Hewitt Pate, Assistant Attorney General in charge of the Department’s Antitrust Division. “This case is another example of the Antitrust Division’s commitment to protecting consumers and fighting international cartel activity,” Pate added.

According to the court papers, Crompton and its co-conspirators carried out the multi-year conspiracy by:

- Participating in meetings and conversations to discuss prices of certain rubber chemicals to be sold in the United States and elsewhere;
- Agreeing, during those conversations and meetings, to raise and maintain prices of certain rubber chemicals to be sold in the United States and elsewhere;
- Participating in conversations and attending meetings concerning implementation of and adherence to the agreements reached;
- Issuing price announcements and price quotations in accordance with the agreements reached; and
- Exchanging information on the sale of certain rubber chemicals in the United States and elsewhere.

“Today’s case is the first in our ongoing investigation of antitrust violations in the rubber chemicals industry,” said James M. Griffin, the Antitrust Division’s Deputy Assistant Attorney General for Criminal Enforcement. “The company charged today will provide valuable assistance in our continued investigation of the rubber chemicals industry.”

Crompton Corporation was charged with violating Section 1 of the Sherman Act, which carries a maximum fine of \$10 million for corporations and a maximum penalty of three years imprisonment and a \$350,000 fine for individuals. The maximum fine may be increased to twice the gain the conspirators derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

Today’s charges are the result of an ongoing investigation being conducted by the Antitrust Division’s San Francisco Field Office and the Federal Bureau of Investigation in San Francisco.

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